

**IN THE CHANCERY COURT FOR LEWIS COUNTY
AT HOHENWALD, TENNESSEE**

IN RE:)	
)	
SENTINEL TRUST COMPANY)	NO. 4781
)	
)	

**SENTINEL TRUST RECEIVER'S REPLY TO BATES' OBJECTION
TO MOTION FOR APPROVAL TO CLASSIFY CLAIM OF ESTATE
OF JOHN W. DRERUP, SR. AS CLASS 6 - LATE FILED**

On January 5, 2007, the Sentinel Trust Receiver filed a motion seeking approval to classify, as late-filed, the claim of the Estate of John W. Drerup, Sr. On January 16, 2007, Danny Bates filed an Objection to that Motion. This filing is the Sentinel Trust Receiver's Reply.

In the first instance, the Receiver notes that the claimants, themselves, the Co-Executors of the Drerup Estate, have filed no objection to the Receiver's motion to classify their claim as Class 6 - Late Filed.

Mr. Bates' Objection seems to focus upon his wanting to defend himself regarding statements contained in the Co-Executors' correspondence to the Receiver and to otherwise point out matters concerning the Upper Cumberland Gas Utility Bond Issue which fell into default back in September of 2000.

Mr. Bates is correct in pointing out that the Co-Executors are incorrect in stating in a letter to the Receiver's staff that the default of the bond issue was "due to the default of Sentinel Trust Company." Those two events were not related, but the Receiver strains to see how that impacts upon whether or not the Drerup Claim was late-filed.

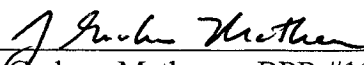
Mr. Bates points out that, if the Drerup Claim is based upon Vault Checks found by the Receiver in the Sentinel Trust vault, then the Receiver should have those checks. Attached as **Exhibit A** are the three (3) Vault Checks that comprise the Drerup Claim. Again, however, the Receiver is hard pressed to see how this impacts upon whether or not the Drerup Claim was late filed.

Mr. Bates argues that, if part of the Drerup Claim relates to interest amounts paid in 2004, then the amount of the claim should be reduced by \$706.25. On this point, Mr. Bates is correct, and, if and when payment of late-filed claims is addressed -- which is likely never to happen -- then the appropriate approved amount will reflect the 2004 interest payments made on that Upper Cumberland Gas Utility defaulted bond issue. Again, though, the issue of what amount is approved for payment from this Receivership (particularly when it is fairly clear that Class 6 - Late Filed claims will not be paid) is unrelated to whether or not the Drerup Claim was late-filed.

Finally, Mr. Bates spends a fair amount of time in his Objection saying that the Co-Executors do not need to be distracted by the Receiver's treatment of their claim. Rather, they needed to pursue the defaulted bond issuer or the successor trustee regarding the bulk of their claim. It is a bit odd that Mr. Bates would point the Co-Executors elsewhere when he was the one who had the checks to Mr. Drerup cut, signed and placed in the vault. See Exhibit A. Moreover, it seems a bit disingenuous for Mr. Bates to appear to help the Co-Executors when he did not even copy them on the Certificate of Service to his Objection. See Objection filed January 16, 2007. But, and again, none of this has anything to do with whether or not the Drerup Claim was late-filed.

Mr. Bates' Objection aside, the Drerup Claim was late-filed by approximately one and one-half years. The Drerup Co-Executors have not opposed the Receiver's January 5, 2007 motion. Therefore, the Court should approve the Class 6 - Late Filed classification of the Drerup Claim and should direct that the Order approving such be entered as a final Order pursuant to Rule 54.02 Tenn.R.Civ.P.¹

Respectfully submitted,



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Receiver of Sentinel Trust Company*

¹ The Receiver would urge that any such Order also include language that the Receiver would determine an approved amount of the Drerup late-filed claim only when, and if, late-filed claims were being presented to the Court for payment approvals.

CERTIFICATE OF SERVICE

This is to certify that on January 18th, 2007, a copy of the foregoing Reply has been sent by First Class U.S. Mail, postage paid, or by Federal Express as noted, to:

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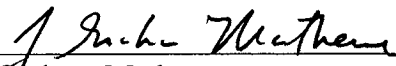
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Co-Executors of Estate of John W. Drerup, Sr.
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J. Graham Matherne

SENTINEL TRUST COMPANY
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(615) 662-5129

SunTrust BANK
NASHVILLE, TENNESSEE 37244
87-4/640

63399

PAY SEVEN HUNDRED SIX DOLLARS AND 25 CENTS

TO THE ORDER OF DATE 09/01/00 AMOUNT *****706.25

JOHN W DRERUP
1015 WOODLAWN
UNION CITY, TN 38161

SENTINEL TRUST COMPANY

AUTHORIZED SIGNATURE

⑈063399⑈ ⑆064000046⑆

4049233⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

SENTINEL TRUST COMPANY
8122 SAWYER BROWN ROAD
NASHVILLE, TENNESSEE 37221-1402
(615) 662-5129

SunTrust BANK
NASHVILLE, TENNESSEE 37244
87-4/640

68228

PAY TWENTY-FIVE THOUSAND DOLLARS AND 0 CENTS

TO THE ORDER OF DATE 03/01/01 AMOUNT *****25,000.00

JOHN W DRERUP
1015 WOODLAWN
UNION CITY, TN 38161

SENTINEL TRUST COMPANY

AUTHORIZED SIGNATURE

⑈068228⑈ ⑆064000046⑆

4049233⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

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SunTrust BANK
NASHVILLE, TENNESSEE 37244
87-4/640

68231

PAY SEVEN HUNDRED SIX DOLLARS AND 25 CENTS

TO THE ORDER OF DATE 03/01/01 AMOUNT *****706.25

JOHN W DRERUP
1015 WOODLAWN
UNION CITY, TN 38161

SENTINEL TRUST COMPANY

AUTHORIZED SIGNATURE

⑈068231⑈ ⑆064000046⑆

4049233⑈

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

EXHIBIT

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